

BELLA VISTA CITY COUNCIL REGULAR MEETING MINUTES – NOVEMBER 18, 2019

Call to Order; Mayor Christie called the meeting to order at 6:30PM

Pledge of Allegiance was recited by all present.

City Clerk Jertson called the roll of council; Council members Wozniak, Fowler, Bourke, Lloyd and Wilms were present. Council member Flynn was absent due to a family emergency.

Citizen Input: Alice Smith, 33 Rannoch Drive spoke about her dispute with a lien being placed on her property for failure to clean up her property. She feels that this is improper and it should not have cost what it did. She wants the lien removed.

Bruce Portillo, 3 Kirk Circle spoke about his belief that the city should not pursue the purchase of the portion of the Centerton Water system that is being debated. He feels that this is not a good use of city resources.

Council Reply: Steve Bourke commented on Alice Smith's issue. He feels that the issue has been handled properly and that she had ample time to have corrected the problem herself. Steve then thanked Mr. Portillo for his input and his concern on the purchase of a portion of the Centerton water system.

Approval of Minutes from October 28, 2019 regular meeting. Motion to approve by Larry Wilms, second by Doug Fowler. Roll call vote was 5 in favor, none opposed. Approved.

Approval of Minutes from November 12, 2019 Special meeting. Motion to approve by Larry Wilms, second by Linda Lloyd. Roll call vote was 5 in favor, none opposed. Approved.

Financial Report for September; Mayor Christie asked if there were any questions on the report which had been sent to council, there were none. He said if anyone had questions to get ahold of Cary Elsten, Finance Director, he also stated that the report was available at this meeting for those who wished a copy.

Motion to suspend the rules and read all Ordinances and Resolutions on the agenda by Title only was made by Jim Wozniak, second by Larry Wilms. Roll call vote was 5 in favor, none opposed. Approved.

OLD BUSINESS:

Prior to the action on the Ordinance Mayor Christie, in a point of personal privilege asked Police Chief James Graves to give a recap of the need for the new Public Safety Building in Bella Vista. Chief Graves gave a brief history of the present facility and highlighted the many ways in which this new building will serve the citizens of Bella Vista for many years to come.

Council member Steve Bourke asked about the process for selecting the firm that will be chosen to build the facility. Staff Attorney Kelley made some comments on this process. Mayor Christie also comment on the process that will take place upon approval of this bond issue. Other comments were made by various council members. The Mayor also stated that a group of concerned citizens has been formed to assist in spreading the word to the community of the needs that will be addressed by this bond issue.

ORDINANCE 2019-11 AN ORDINANCE CALLING A SPECIAL ELECTION IN THE CITY OF BELLA VISTA, ARKANSAS ON THE QUESTIONS OF ISSUING BONDS UNDER AMENDMENT NO. 62 TO THE CONSTITUTION OF THE STATE OF ARKANSAS FOR THE PURPOSE OF FINANCING ALL OR A PORTION OF THE COST OF CAPITAL IMPROVEMENTS; LEVYING A ONE PERCENT (1%) SALES AND USE TAX FOR THE PURPOSE OF RETIRING SUCH BONDS; AND PRESCRIBING OTHER MATTERS PERTAINING THERETO. **(Second Reading)**

Jim Wozniak made a motion to suspend the rules and move to third and final reading and read by title only. Seconded by Linda Lloyd. Roll call vote was supported by all 5 Council members. At that point Mayor Christie read the Ordinance for the final time. Motion to approve by Linda Lloyd, second by Jim Wozniak. Roll call vote was taken and supported unanimously. Ordinance is approved.

Staff Attorney Jason Kelley then stated for the record that the Ordinance in addition to being published as normal by the City Clerk will be posted in the five locations listed below.

- 1. City Hall bulletin board, 101 Town Center.*
- 2. City Library, Dickens Place.*
- 3. Fire Station #2, front door.*
- 4. Fire Station #3, front door.*
- 5. Street Department, front door.*

R2019-RESOLUTION EXPRESSING THE INTENT OF THE CITY COUNCIL NO LONGER TO PURSUE PURCHASE OF A PORTION OF THE CENTERTON WATER SYSTEM IN ACCORDANCE WITH THE MEMORANDUM OF UNDERSTANDING CURRENTLY IN PLACE BETWEEN THE PARTIES. **(Tabled from August Meeting)**

Mayor Christie started out after reading the Resolution to explain his position on this issue. He stated that he initially had supported this purchase but due to changes in Bella Vista's needs as well as other things that have become a part of this issue. He would like to see the city go in a different direction. He then asked for comments from the council.

Council member Wilms spoke first and went over some of the history of this issue and his reasons for continuing to pursue purchase of the Centerton Water system serving part of the City of Bella Vista. In particular, the Council adopted Strategic Plan for City adopted in year- 2012 which recommended this purchase be completed by year 2015, and the City's current draft of Comprehensive 2040 Plan (which is in process) repeatedly recommends in numerous sections and chapters that to "...promote economic development by making strategic improvements to the public realm" This includes purchase of the Centerton Water System. He had a compilation of what has taken place as he sees it. Those notes are attached to these minutes as requested.

Council member Doug Fowler followed Mr. Wilms comments. He also talked about the reasons that he supports this purchase. He is convinced that we need to establish more infrastructure in Bella Vista and that this is part of that need. He stated that we already have many city facilities along 279 and we should be buying the water from ourselves.

Council member Jim Wozniak commented about the fact that much of the development that may happen along the by-pass will not be in Bella Vista. He feels that the potential is out there too far in the distance to make this a good investment. He feels that it will be a drain on city resources for an undetermined time and he is against it for that reason.

Council member Linda Lloyd then stated that she has supported the purchase although she has had some reservation about the cost. She stated that she had been asked by some city residents to support the purchase and therefore she is supporting going forward.

Council member Steve Bourke then made his comments and said that he is grateful for the effort put forth by Mr. Wilms and Mr. Fowler to examine this purchase. He is very concerned that this is too speculative and for that reason he feels that he cannot support the purchase. He feels that there are other options out there that are a better investment.

Motion to approve the resolution on the agenda to no longer pursue the purchase the system was made by Jim Wozniak, seconded by Steve Bourke. Roll Call vote was called. Ayes: Wozniak, Bourke, Nays: Lloyd, Wilms and Fowler. Motion fails.

NEW BUSINESS:

R2019-RESOLUTION SUPPORTING HOUSE JOINT RESOLUTION 1018 OF 2019 (HJR 1018 OF 2019) PROPOSING AN AMENDMENT TO THE ARKANSAS CONSTITUTION TO CONTINUE A LEVY OF A ONE-HALF PERCENT SALES AND USE TAX FOR STATE HIGHWAYS AND BRIDGES; COUNTY ROADS, BRIDGES, AND OTHER SURFACE TRANSPORTATION; AND CITY STREETS, BRIDGES, AND OTHER SURFACE TRANSPORTATION AFTER THE RETIREMENT OF THE BONDS AUTHORIZED IN ARKANSAS CONSTITUTION AMENDMENT 91, AS SPECIAL REVENUE TO BE DISTRIBUTED UNDER THE ARKANSAS HIGHWAY REVENUE DISTRIBUTION LAW. *The Mayor read this Resolution and stated that it was suggested by the Arkansas Municipal League to support this levy to continue. After discussion by the council there was not support to move forward with this Resolution.*

R2019-51 RESOLUTION SETTING THE MEETING SCHEDULE OF THE BELLA VISTA CITY COUNCIL FOR CALENDAR YEAR 2020. *This will set the dates for next year and will allow for the work sessions to be held in various locations as needed. Motion to approve by Larry Wilms, second by Jim Wozniak. Roll call vote was unanimous in favor of the resolution.*

R2019-52 RESOLUTION ESTABLISHING RESIDENTIAL AND COMMERCIAL RATES FOR SOLID WASTE (TRASH) COLLECTION IN THE CITY. *The Mayor explained the method that is used to determine the rates increase each year. Motion to approve by Jim Wozniak, second by Larry Wilms. Roll call vote was unanimous in favor of the resolution.*

R2019-53 RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO ENTER INTO A FIVE YEAR LEASE AGREEMENT ADDENDUM WITH VANCON PROPERTIES, LLC FOR OFFICE SPACE FOR THE COMMUNITY DEVELOPMENT SERVICES DEPARTMENT. *This is a continuation of a lease with a \$50.00 per month increase from the current lease. That rate is constant for the duration of the lease. Motion to approve by Larry Wilms, second by Linda Lloyd. Roll call vote was unanimous in favor of the resolution.*

MEETINGS AND ANNOUNCEMENTS:

- The next City Council Work Session will be Monday December 9, 2019 at 5:30PM in the Bella Vista City Hall Conference Room.
- The next Regular meeting of the City Council, Monday December 16, 2019 at 6:30 PM at the Bella Vista District Court Building.
- Planning Commission Work Session will be Thursday November 21, 2019 at 4:30PM in the Bella Vista District Court Building.
- Planning Commission Regular Meeting will be December 9, 2019 at 6:30PM in the Bella Vista District Court Building.
- Board of Zoning Adjustment will be November 19, 2019 at 5:30PM in the Bella Vista District Court Building.
- Board of Construction Appeals will be December 10, 2019 in the Bella Vista District Court Building.

ADJOURNMENT -Meeting was adjourned at 7:42PM


City Clerk Wayne Jertson




Mayor Peter Christie

Centerton Water System Purchase – Considerations
Nov 18, 2019

1. First Mayor (Frank Anderson) of City saw need for and benefits of City Owned Water System;
 - With consent of CC members to approach Centerton Utilities to purchase portion of their Rural Water System from Hiwassee (then B.C. lands) and into new City.
 - Mayor Anderson approached Centerton Utilities in Yr 2009 and received favorable response to proposition to purchase subject existing Rural Water System from Hiwassee along Hwy AR-279 into City.
 - Unfortunately, No further action was taken to complete acquisition at that time as it would have major impact on later failed actions on annexation by CBV Council.
2. City sought major annexation of B.C. lands along Hwy AR-279 south of City Limits at Boys-Girls Club to Hiwassee, and also on west side by the proposed Bella Vista Bypass I-49 northerly interchange near the Gun Club. Plan failed due to having No Action Plan to effectively communicate benefits to property owners that annexation to CBV would provide; as a result, plan was poorly implemented by Council Members in office at that time.
 - Subject lands subsequently were annexed into City of Gravette.
3. First Strategic (Comprehensive) Plan was prepared in 2012 for City; Plan was completed & Adopted by CC. It included:
 - Recommendation for construction of Fire Sta # 4. (Now completed)
 - Recommendation for City Owned Water System to service non-POA parcels by 2015.
The Opportunity is Now, despite possible risks that have been discussed.
4. Second Mayor (Peter Christie) also initially saw need for and benefits of City Owned Water System to service non-POA lands in City;
 - Mayor Christie led CC to adopt Resolution 2016-37 authorizing Mayor to execute a Letter of Intent with Centerton Utilities to purchase Rural Water System extending from Hiwassee along Hwy AR-279 into City of Bella Vista.
 - Centerton Utilities proceeded to have Engineering Study completed to establish value for the sale of subject Rural Water System and seek other agency approvals.
 - Mayor Christie and CC members Approved Resolution 2017-27 Approving Purchase subject to receipt of all necessary regulatory approvals (ADH & ANRC).
 - Mayor Christie authorized Engineering Report to be prepared outlining acquisition for ADH approval and an Application to ANRC to approve purchase of designated Water Service Area that included the Rural Water System purchase and Larger Water Service Area encompassing entire city and more. (Subject lands were then still in County._
5. Engineering Report and ANRC Application submitted to respective agencies for approval in late August 2018.
 - ADH review process required: 1). minimum of 10% for emergency coverage (provided 13+%) in Annual O & M Budget, and; 2). that User Charge Revenues cover Estimated Annual O & M Budget amount.
 - ADH granted conditional approval on 03/29/2019 of Engineering Report for a City of Bella Vista Waterworks (PWS # 1248) via purchase of Centerton Utilities Rural Water System portion extending from Hiwassee along Hwy AR-279 into City. (51 customers inside City, 32 outside City).

- ADH conditions of approval required: 1) Notice of consummation of purchase, and; 2) Compliance with SDWA water sampling/testing requirements, and; 3) Licensed Operator for operation.
- ANRC held Public Hearing on 10/16/2019 at Bella Vista Court Room on Application for City Public Water Service Area approval, including the proposed Water System purchase area,. Decision pending; Hearing Examiner announced that ANRC staff were recommending approval for formal Commission Approval Action, subject to any new findings of Hearing.

6. At the Nov 12, 2019, Work Session, Mayor Christie announced that in prior week that:

- A. He had spoken with several property owners of lands south of Oldham Dr to AR Tourist Building, with results being that they were in support of City Water service permitting them development or additional development. Note that some of these parcels are now served by Village Wastewater Co for sewer. Many of developed parcels generate Sales Tax Revenues now. Several parcels appear suitable for Hotel usage with Public Water.
- B. He had spoken with City of Bentonville DPW Mike Bender who indicated willingness to possibly extend Bentonville Water north to service subject lands. *(Note that such water main would be under control of Bentonville and not CBV and will have its own set of issues and challenges !!!)*
- C. Mayor also suggests possible purchase of Old Bella Vista Water System; Note that this may be counterproductive if Bentonville extends main as noted above. *(Note that pursuit of this additional option will introduce its own set of issues and challenges!)*
- D. Mayor also suggests possible purchase of the BVVPOA Water System after brief discussions with GM Tom Judson. One may concur that the BVVPOA system is owned by them, BUT with the Water System being an Amenity to POA Owners, Cooper Communities may have Veto powers.
- E. Mayor now proposes to NOT proceed with Centerton Water Purchase in favor of foregoing alternates. Failure to proceed with Centerton purchase now results in:
 - Loosing the 2.5 years in timing currently invested in moving City to this Juncture;
 - City will literally Waste some \$65 – 75,000 of current expenses to this Juncture;
 - Pursuing a totally new direction will delay providing Public Water to the Hwy US-71 corridor for another 2 years as compared of ability to start that immediately.
 - The above New options will present their own issues & challenges, only different than those know issues with the Centerton Purchase.
 - We know of the potential for challenge by City of Gravette for a portion of Centerton System purchase, especially without the Federal 1926(b) protection.
 - In Real Time, it will take 3 or more years before a viable challenge can be put forth in my opinion, due to all of the items needing completion for that to be a success.
 - There is NO guarantee that Gravette will actually pursue the purchase with cooperation by CBV.
 - The REAL KEY is for having adequate Water and for Sewer Service to those lands lying south of Boys & Girls Club; CBV and Village Wastewater Company will be able to service those properties for Development.
- E. My Grandfather would advise: "A bird in hand is worth 2 birds in the bush." Also, "The Grass is always greener on the other side of the Fence."

7. Several City Council Members worked on information gathering to address expressed concerns by Mayor Christie and other Councilors during Meeting of 6/10/19. **General conclusions, findings and recommendations include following:**

- A. Acquisition of Centerton Utilities segment will enable and encourage Economic Development that will increase BV Tax Base and Sales Tax Revenues which will not be immediate and will require time for implementation and full benefits to be realized.
- B. Acquisition Costs Include:
 - Water System Purchase Price of \$ 285,500.
 - Initial Start-up Investment of \$ 170,000.
 - Total cost about \$ 455,500 – 500,000.
- C. Future required Investments to expand capacity of Rural System Purchase to adequately support desired development along Hwy AR-279 corridor:
 - 1). Watermain capacity upgrade: Initial 1-mile = \$600-750,000. (from Kings Ln)
Subsequent 1-mile = \$600-750,000. (Meter to Kings Ln)
Total 2-mile segment = \$1.2 – 1.5 Mil
 - 2). Water Storage (for Reliability of service): 100,000 – 250,000 Gals Elev Tank
 - New or Used Tank = \$500,000 - \$1.2 mil
 - Site available at SW corner of Streets Dept site.
 - 3). (ANRC) Low Interest Loans and Grants may be available to City upon Application.
 - 4). All new development will contribute to Watermain & Storage upgrades via New Customer Fees.
- D. Original estimates for Annual O & M Expense evaluated and Reduced to \$72,105. that includes \$ 4,300. for unexpected main-service-meter failures. In any given year, it is unlikely that these monies will be expended based upon sys. history.
- E. Result would be a UCS rate increase of up to 30 % over existing to meet Estimated Expense.
- F. Benefit to City via Contribution to Salaries of Street Dept Staff for Designated Licensed Operator and Admin Assistant.
- G. Also Expenses include Contribution of \$6,482. to Depreciation Reserve Fund for Water system.
- H. Village Wastewater was consulted; they are doing improvements to their system now that will enable expansion of sewer service capacity along Hwy AR-279 south of Tom Fredrick's parcel. Extent not defined at this time.
- I. City needs to proceed with Preliminary Study & Assessment of Sewer Service to west side as City Owned Sewer Collection System for Treatment at Village Wastewater and/or shared Treatment Plant with Gravette. Project eligible for Grants & Loans thru ANRC Revolving Loan Funds for Sewer: 2020 – 2022
- J. City needs to counsel with adjacent property owners on availability of Water & Sewer Service to support development.

- K. City needs to pursue purchase of Old Bella Vista POA Water System. Goal is expansion and development along Hwy US-71 north of Crye-Leike Realty to Oldham Rd.
 - L. City needs to discuss sewer service capabilities by Village Wastewater for service to Old Bella Vista POA service area for development potential.
 - L. City needs to expand the Old Bella Vista POA Water System to serve lands South of Oldham Rd to the AR-DOT Wayside site. Again, ANRC Loans & Grants may be available in support of projects.
7. City complete Centerton Water Acquisition and required Start-up actions:
- A. Complete Purchase and Negotiate Water Supply Agreement (20-yr renewable)
 - B. Adopt Ordinance establishing City Water Utility & organization
 - C. Adopt Ordinances addressing ADH requirements and Rules-Regulations for City Owned Water Utility.
 - D. Approach BVVPOA for cooperative water service agreement.
8. Projected Timeline to realization of Increased (R/E & Sales) Tax Revenues to City:
- Step 1: Complete Centerton Water System Acquisition steps: Apr 01 - Jul 01-2020
 - Step 2: Complete Water system expansion along Hwy AR-279 to support proposed and future development: Dec 2022
 - Step 3: Complete acquisition of Old Bella Vista POA Water System: Dec 2020
 - Step 4: Completion of I-49 Bypass (AR portion): Sep 2021
 - Step 5: Complete Water system expansion along Hwy US-71: Jul 2022
 - Step 6: Higher Developer Interest & implementation: 2020 – 2025
 - Step 7: Voluntary owner deannexation and reannexation to CBV along Hwy AR-279 for Improved Water and for Sewer Service: 2020 - 2025